

# **FISCAL NOTE**

## **SB 2390 - HB 3043**

February 25, 2002

**SUMMARY OF BILL:** Applies requirements for Health Care utilization review to all health insurance programs, including ERISA plans but excluding TennCare. Requires that utilization review programs comply with national standards. Requires utilization review programs to publish and provide written materials explaining such programs. Requires reviewers in appeals to have certification in an appropriate mental health discipline. Eliminates utilization review in certain emergency situations and in-network outpatient services in the first year. Allows some out of network treatment under certain conditions.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Exceeds \$100,000**

**Increase Local Govt. Expenditures - Exceeds \$100,000\***

Estimate assumes removal of utilization review in some cases involving use of outpatient treatment and in some cases out of network providers would result in an increase in utilization of outpatient treatment sessions and an increase in use of out of network providers. Estimate assumes this will result in an increase in cost to the state employee's health insurance plan, as well as local government employee health insurance plans. Out of network providers would probably bill such plans at a higher average cost than in network providers.

*\*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

**SB 2390 - HB 3043**

A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive style with a large, stylized initial "J".

James A. Davenport, Executive Director